

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

|  |  |
|--|--|
| <hr style="border: 0.5px solid black;"/> <div style="display: flex; justify-content: space-between;"><div style="width: 80%;"><p>In re:</p><br/><br/><p>COMPUTE NORTH HOLDINGS,<br/>INC., <i>et al.</i>,<sup>1</sup></p><br/><p style="text-align: center;">Debtors.</p></div><div style="width: 10%; text-align: center;">§<br/>§<br/>§<br/>§<br/>§<br/>§<br/>§<br/>§<br/>§</div><div style="width: 10%; vertical-align: top;"><p>Chapter 11</p><br/><p>Case No. 22-90273 (MI)</p><br/><p>(Jointly Administered)</p></div></div> <hr style="border: 0.5px solid black;"/> |  |
|--|--|

**APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS FOR ENTRY OF AN ORDER AUTHORIZING THE  
EMPLOYMENT AND RETENTION OF MCDERMOTT WILL & EMERY LLP  
AS COUNSEL EFFECTIVE OCTOBER 9, 2022**

**IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE ELECTRONICALLY AT [HTTPS://ECF.TXSB.USCOURTS.GOV/](https://ecf.txsb.uscourts.gov) WITHIN TWENTY-ONE DAYS FROM THE DATE THIS APPLICATION WAS FILED. IF YOU DO NOT HAVE ELECTRONIC FILING PRIVILEGES, YOU MUST FILE A WRITTEN OBJECTION THAT IS ACTUALLY RECEIVED BY THE CLERK WITHIN TWENTY-ONE DAYS FROM THE DATE THIS APPLICATION WAS FILED. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.**

The Official Committee of Unsecured Creditors of Compute North Holdings, Inc., *et al.* (the “Committee”) submits this application (the “Application”) for the entry of an order, substantially in the form attached hereto as **Exhibit A**, authorizing the employment and retention of McDermott Will & Emery LLP (“McDermott”) as counsel to the Committee, effective October

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.



9, 2022, pursuant to sections 327, 328, 330, and 1103(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rules 2014-1 and 2016-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “Local Rules”), and the U.S. Trustee Guidelines (defined herein). In support of this Application, the Committee submits the Declaration of Charles R. Gibbs (the “Gibbs Declaration”), attached hereto as **Exhibit B**, and the Declaration of Asher Genoot as Chair of the Committee (the “Genoot Declaration”), attached hereto as **Exhibit C**, both of which are incorporated herein by reference. In further support of this Application, the Committee respectfully represents as follows:

### **JURISDICTION AND VENUE**

1. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over the above-captioned chapter 11 cases (the “Chapter 11 Cases”) and this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The relief requested is consistent with the U.S. Trustee Guidelines. Venue of the Chapter 11 Cases in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief sought herein are Bankruptcy Code sections 327, 328, 330, and 1103(a). Relief is also proper pursuant to Bankruptcy Rules 2014 and 2016 and Local Rules 2014-1 and 2016-1.

### **BACKGROUND**

3. On September 22, 2022 (the “Petition Date”), the above-captioned debtors and debtors in possession (the “Debtors”) commenced the Chapter 11 Cases by filing petitions for relief under chapter 11 of the Bankruptcy Code. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. The Debtors continue



to operate their businesses and manage their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

4. On October 6, 2022, pursuant to section 1102 of title 11 of the United States Code (the “Bankruptcy Code”), the Office of the United States Trustee for Region 7 (Southern and Western Districts of Texas) (the “U.S. Trustee”) appointed the following entities as members of the Committee: (a) RK Mission Critical LLC; (b) Touzi Capital, LLC; (c) Sunbelt Solomon; (d) U.S. Data Mining Group, Inc. d/b/a US Bitcoin Corp; and (e) MP2 Energy LLC d/b/a Shell Energy Solutions [ECF 139]. On October 9, 2022, the Committee selected McDermott to serve as its counsel in connection with the Chapter 11 Cases.

**RELIEF REQUESTED**

5. By this Application, the Committee requests entry of the proposed order, attached hereto as Exhibit A, approving the employment and retention of McDermott effective as of October 9, 2022, which is the date on which the Committee selected McDermott to serve as its counsel and the date that McDermott began rendering services to the Committee. Subject to the terms set forth herein, the Committee seeks to retain McDermott in accordance with McDermott’s normal hourly rates in effect when services are rendered and normal reimbursement policies subject to Local Rule 2016-1.

**THE RETENTION OF MCDERMOTT IS WARRANTED**

6. The Committee believes that McDermott possesses extensive knowledge and expertise in the substantive areas of law relevant to the Chapter 11 Cases and is well qualified to represent the Committee herein. In selecting counsel, the Committee sought attorneys with considerable experience representing the interests of unsecured creditors in chapter 11 cases of this nature. McDermott has represented unsecured creditors’ committees and the interests of unsecured creditors in numerous other cases. McDermott also has a broad-based practice in other



key areas of law relevant to the Chapter 11 Cases. The Committee believes that McDermott is well qualified to serve as its counsel in the Chapter 11 Cases.

**I. Scope of Services**

7. McDermott will render, among other things, the following legal services to the Committee:

- a) Advise the Committee with respect to its rights, powers, and duties in these Chapter 11 Cases;
- b) Participate in in-person and telephonic meetings of the Committee and subcommittees formed thereby, if any;
- c) Assist and advise the Committee in its meetings and negotiations with the Debtors and other parties in interest regarding the Chapter 11 Cases;
- d) Assist the Committee in analyzing claims asserted against, and interests in, the Debtors, and in negotiating with the holders of such claims and interests and bringing, or participating in, objections or estimation proceedings with respect to such claims and interests;
- e) Assist the Committee in analyzing the Debtors' assets and liabilities, including in its review of the Debtors' Schedules of Assets and Liabilities, Statement of Financial Affairs, and other reports prepared by the Debtors, investigating the extent and validity of liens and participating in and reviewing any proposed asset sales, financing arrangements, and cash collateral stipulations or proceedings;
- f) Assist the Committee in its investigation of the acts, conduct, assets, liabilities, management and financial condition of the Debtors, the Debtors' historic and ongoing operations of their businesses, and the desirability of the continuation of any portion of those operations, and any other matters relevant to the Chapter 11 Cases or to the formation of a plan;
- g) Assist the Committee in its analysis of, and negotiations with the Debtors or any third party related to, financing, asset disposition transactions, and compromises of controversies, reviewing and determining the Debtors' rights and obligations under leases and executory contracts, and assisting, advising, and representing the Committee in any manner relevant to the assumption and rejection of executory contracts and unexpired leases;
- h) Assist the Committee in its analysis of, and negotiations with, the Debtors or any third party related to, the formulation, confirmation, and implementation of a chapter 11 plan(s) and all documentation related thereto (including the disclosure statement);



- i) Assist, advise, and represent the Committee in understanding its powers and its duties under the Bankruptcy Code and the Bankruptcy Rules and in performing other services as are in the interests of those represented by the Committee;
- j) Assist and advise the Committee with respect to communications with the general creditor body regarding significant matters in the Chapter 11 Cases;
- k) Respond to inquiries from individual creditors as to the status of, and developments in, the Chapter 11 Cases;
- l) Represent the Committee at hearings and other proceedings before the Court and other courts or tribunals, as appropriate;
- m) Review and analyze complaints, motions, applications, orders, and other pleadings filed with the Court, and advise the Committee with respect to formulating positions with respect, and filing responses, thereto;
- n) Assist the Committee in its review and analysis of, and negotiations with the Debtors and their non-Debtor affiliates related to, intercompany claims and transactions;
- o) Review and analyze third party analyses and reports prepared in connection with the Debtors' potential claims and causes of action, advise the Committee with respect to formulating positions thereon, and perform such other diligence and independent analysis as may be requested by the Committee;
- p) Advise the Committee with respect to applicable federal and state regulatory issues, as such issues may arise in the Chapter 11 Cases;
- q) Assist the Committee in preparing pleadings and applications, and pursuing or participating in adversary proceedings, contested matters, and administrative proceedings as may be necessary or appropriate in furtherance of the Committee's duties;
- r) Take all necessary or appropriate actions as may be required in connection with the administration of the Debtors' estates, including with respect to a chapter 11 plan and related disclosure statement; and
- s) Perform such other legal services as may be necessary or as may be requested by the Committee in accordance with the Committee's powers and duties as set forth in the Bankruptcy Code.

8. McDermott will coordinate with all other estate professionals, including the Debtors' professionals and other appointed committees, if any, to avoid duplication of efforts.



**II. McDermott's Disinterestedness and Disclosure Concerning Conflicts of Interest**

9. As more fully set forth in the Gibbs Declaration attached hereto as **Exhibit B**, McDermott reviewed the list of interested persons and entities annexed to the Debtors' retention applications and ran the list of relevant parties in interest included on Schedule 1 to the Gibbs Declaration through its conflict system consistent with the U.S. Trustee's requirements. McDermott does not represent, or have any other connection with, any of the parties in interest listed on Schedule 1, subject to the disclosures set forth below and in the Gibbs Declaration. McDermott will not, while employed by the Committee, represent any entity having an adverse interest in connection with the Chapter 11 Cases. McDermott's conflict search resulted in the disclosures set forth on Schedule 2 to the Gibbs Declaration.

10. The Committee is aware that McDermott currently represents certain interested parties in matters unrelated to the Chapter 11 Cases, as further identified in the Gibbs Declaration and listed on Schedule 2. McDermott does not and will not represent any such interested parties in any matter related to the Debtors. The Committee hereby waives any conflict of interest that exists or may exist due to McDermott's representation of such interested parties in matters unrelated to the Debtors.

11. The Committee is also aware that McDermott currently represents Jefferies LLC ("Jefferies") in matters unrelated to the Debtors or the Chapter 11 Cases. Jefferies serves as the Debtors' investment banker. Representation of Jefferies accounted for less than 1% of McDermott's collected revenue for each of the last three calendar years. McDermott has not, does not, and will not represent Jefferies in any matter related to the Debtors. The Committee hereby waives any conflict of interest that exists or may exist due to McDermott's representation of Jefferies in matters unrelated to the Debtors. Further, Jefferies has granted McDermott a waiver, allowing it to: (a) participate in the investigation and analysis of prepetition and postpetition causes



of action on behalf of the Debtors' estates, and discuss such investigation and analysis with the Committee; (b) negotiate the terms of the sale of the Debtors' assets, and (c) negotiate the terms of the Debtors' chapter 11 plan and any other restructuring transactions. In the event a cause of action may exist against Jefferies, the Committee will engage conflicts counsel to pursue such cause of action unless Jefferies grants McDermott a further waiver

12. The Committee does not believe McDermott's representation of any interested party or its affiliate(s) in unrelated matters will impair McDermott's ability to represent the Committee as counsel in the Chapter 11 Cases. The Committee has been informed that McDermott will conduct an ongoing review of its files to ensure that no disqualifying circumstances arise. To the extent that McDermott discovers any connection with any interested party or enters into any new relationship with any interested party, McDermott will promptly supplement its disclosure to the Court.

13. Based on the Gibbs Declaration, the Committee submits that McDermott is a "disinterested person" as that term is defined in Bankruptcy Code section 101(14), and neither represents nor holds an interest materially adverse to the interests of the Committee, the Debtors or their estates with respect to the matters on which McDermott is to be employed.

### **III. Professional Compensation**

14. The Committee requests that all legal fees and related costs and expenses incurred by the Committee on account of services rendered by McDermott in the Chapter 11 Cases be paid as administrative expenses of the Debtors' estates pursuant to Bankruptcy Code sections 328, 330(a), 331, 503(b), and 507(a). Subject to the Court's approval, McDermott will charge the Committee for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date such services are rendered.



15. McDermott intends to apply to this Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the U.S. Trustee Guidelines and any further orders of this Court for all services performed and expenses incurred since October 9, 2022.

16. McDermott's standard hourly rates for work of this nature for attorneys that may work on this matter, subject to annual adjustment in January to reflect economic and other conditions, are set forth below.

| <b>Title</b>                | <b>2022 Rates</b> |
|-----------------------------|-------------------|
| Partners and Senior Counsel | \$1,125 - \$1,510 |
| Employee Counsel            | \$1,020 - \$1,285 |
| Associates                  | \$615 - \$940     |
| Paraprofessionals           | \$385 - \$575     |

17. McDermott has advised the Committee that the hourly rates set forth above are subject to annual increases in the normal course of McDermott's business. In the event of any such increase, McDermott will provide the U.S. Trustee and the Committee with written notice of any such increase and file a supplemental affidavit (a "Supplemental Affidavit") with the Court. Any Supplemental Affidavit will explain the basis for the requested rate increase in accordance with Bankruptcy Code section 330(a)(3)(F). Pursuant to section B(2)(d) of the U.S. Trustee Guidelines, McDermott will provide justification of the reasonableness of any rate increase.

18. Pursuant to Bankruptcy Code section 328(a), the Committee may retain McDermott on reasonable terms and conditions. The hourly rates set forth above are the firm's standard hourly rates for work of this nature. The firm's standard rates are set at a level designed to compensate the firm fairly for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses.



19. McDermott will charge for expenses in a manner and at rates consistent with charges made generally to its other clients and in accordance with the Bankruptcy Rules, Local Rules, the U.S. Trustee Guidelines, and any applicable orders of this Court. Such expenses include, among other things, mail and express mail charges, special or hand delivery charges, travel expenses, expenses for computerized research, and transcription costs.

#### **IV. Statement Regarding U.S. Trustee Guidelines**

20. In 2013, the Executive Office for the United States Trustee (“EOUST”) adopted the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases* (the “Appendix B Guidelines”). By their terms, the Appendix B Guidelines “apply to the [U.S. Trustee’s] review of applications for compensation filed by attorneys in larger chapter 11 cases,” and are intended as an update to the original *Guidelines for Reviewing Applications for Compensation filed under 11 U.S.C. § 330* (the “Appendix A Guidelines” and, together with the Appendix B Guidelines, the “U.S. Trustee Guidelines”) adopted by the EOUST in 1996. The Committee and McDermott will make a reasonable effort to comply with the U.S. Trustee’s requests for information and additional disclosures as set forth in the U.S. Trustee’s Guidelines, both in connection with this Application and the interim and final fee applications to be filed by McDermott.

21. The Committee requests approval of the employment of McDermott, effective October 9, 2022. Such relief is warranted by the circumstances presented by the Chapter 11 Cases. The Committee’s selection of McDermott on October 9, 2022 necessitated that McDermott immediately commence work on time-sensitive matters and promptly devote substantial resources to the Chapter 11 Cases pending submission and approval of this Application. Among other things, McDermott was immediately required to address matters related to the Debtors’ proposed bidding procedures and sale of the Debtors’ assets and various first-day motions.



22. No prior application for the relief requested herein has been presented to this Court or any other court.

**NOTICE**

23. Notice of this Application will be provided to: (a) the Debtors; (b) counsel to the Debtors, Paul Hastings LLP; (c) the U.S. Trustee; (d) the Office of the United States Attorney for the Southern District of Texas; and (e) any party that has requested notice pursuant to Bankruptcy Rule 2002. In view of the nature of the relief requested, the Committee respectfully submits that no other or further notice need be provided.

*[Remainder of Page Intentionally Left Blank]*



**CONCLUSION**

**WHEREFORE**, the Committee requests that the Court enter an order substantially in the form attached hereto as **Exhibit A**: (i) granting the Application; (ii) authorizing the Committee to retain and employ McDermott as counsel effective October 9, 2022; and (iii) granting such other and further relief as the Court may deem just and proper.

Dated: Miami, Florida  
November 7, 2022

Respectfully submitted,

THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF COMPUTE NORTH HOLDINGS,  
INC., *et al.*

By:

A handwritten signature in black ink, appearing to read 'Asher Genoot', is written over a horizontal line.

Asher Genoot  
President, U.S. Data Mining Group, Inc.  
d/b/a/ US Bitcoin Corp.

Chair of the Official Committee of Unsecured Creditors  
of Compute North Holdings, Inc., *et al.*<sup>2</sup>

---

<sup>2</sup> Under the bylaws of the Official Committee of Unsecured Creditors of Compute North Holdings, Inc., et al., (the “Bylaws”) Asher Genoot, President of U.S. Data Mining Group, Inc., as Chair of the Committee, is empowered to act on behalf of the Committee, as appropriate, to implement decisions of the Committee made in accordance with the Bylaws.



**EXHIBIT A**

**PROPOSED ORDER**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

|   |   |   |
|---|---|---|
| <p>In re:</p> <p>COMPUTE NORTH HOLDINGS,<br/>INC., <i>et al.</i>,<sup>1</sup></p> <p style="text-align: center;">Debtors.</p> | <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> | <p>Chapter 11</p> <p>Case No. 22-90273 (MI)</p> <p>(Jointly Administered)</p> |
|---|---|---|

**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF  
MCDERMOTT WILL & EMERY LLP AS COUNSEL TO THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS EFFECTIVE OCTOBER 9, 2022**

Upon the application (the “Application”)<sup>2</sup> of the Official Committee of Unsecured Creditors (the “Committee”) in the above-captioned chapter 11 cases for entry of an order authorizing the Committee to employ and retain McDermott Will & Emery LLP (“McDermott”) as counsel effective October 9, 2022, the date the Committee determined to employ McDermott as its counsel in the Chapter 11 Cases, pursuant to Bankruptcy Code sections 327, 328, 330, and 1103(a); and upon the Gibbs Declaration attached to the Application as **Exhibit B**; and upon the Genoot Declaration attached to the Application as **Exhibit C**; and the Court having jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334 to consider the Application and the relief requested therein; and venue being proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being satisfied that notice of the Application and the opportunity for a hearing on the Application was

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.



appropriate under the particular circumstances and no further or other notice need be given; and the Court being satisfied, based on the representations made in the Application, the Gibbs Declaration, and the Genoot Declaration that McDermott does not represent or hold any interest materially adverse to the Debtors or their estates as to the matters upon which McDermott has been and is to be employed, and that McDermott is a “disinterested person” as such term is defined in Bankruptcy Code section 101(14); and that while employed by the Committee, McDermott will not represent any other person or entity having an adverse interest in connection with the Chapter 11 Cases; and this Court having determined that the legal and factual bases set forth in the Application, the Gibbs Declaration, and the Genoot Declaration establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED as follows:

1. The Application is approved as set forth herein.
2. Pursuant to Bankruptcy Code sections 327, 328, 330, and 1103(a), Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1, the Committee is authorized to employ and retain McDermott as its counsel effective October 9, 2022.
3. McDermott shall apply for compensation and professional services rendered and reimbursement of expenses incurred in connection with the Debtors’ Chapter 11 Cases in compliance with Bankruptcy Code sections 330 and 331, and applicable provisions of the Bankruptcy Rules, the Local Rules, and such other procedures as may be fixed by order of this Court. McDermott also intends to make a reasonable effort to comply with the U.S. Trustee’s requests for information and additional disclosures as set forth in the U.S. Trustee Guidelines, both in connection with the Application and the interim and final fee applications to be filed by McDermott in the Chapter 11 Cases.



4. McDermott will provide written notice of any rate increases to the Committee, the United States Trustee, and the Debtors, and will file a Supplemental Affidavit detailing any such increases with the Court. The Committee, the Debtors, the U.S. Trustee, and all parties in interest retain all rights to object to any rate increase on all grounds including, but not limited to, the reasonableness standard provided for in Bankruptcy Code section 330, and the Court retains the right to review any rate increase pursuant to Bankruptcy Code section 330.

5. The Committee and McDermott are authorized to take all actions they deem necessary and appropriate to effectuate the relief granted pursuant to this Order in accordance with the Application.

6. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. During the course of the Chapter 11 Cases, this Court has and shall retain exclusive jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: \_\_\_\_\_, 2022

---

THE HONORABLE MARVIN ISGUR  
UNITED STATES BANKRUPTCY JUDGE



**EXHIBIT B**

**Declaration of Charles R. Gibbs**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

|   |  |
|---|--|
| <hr style="border: 0.5px solid black;"/> <div style="display: flex; justify-content: space-between;"><div style="width: 80%;"><p>In re:</p><br/><br/><p>COMPUTE NORTH HOLDINGS,<br/>INC., <i>et al.</i>,<sup>1</sup></p><br/><p style="text-align: center;">Debtors.</p></div><div style="width: 10%; text-align: center;">§<br/>§<br/>§<br/>§<br/>§<br/>§<br/>§<br/>§<br/>§</div><div style="width: 10%; vertical-align: top;">Chapter 11<br/><br/>Case No. 22-90273 (MI)<br/><br/>(Jointly Administered)</div></div> <hr style="border: 0.5px solid black;"/> |  |
|---|--|

**DECLARATION OF CHARLES R. GIBBS IN SUPPORT OF THE  
APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS FOR ENTRY OF AN ORDER AUTHORIZING THE  
EMPLOYMENT AND RETENTION OF MCDERMOTT WILL & EMERY LLP  
AS COUNSEL EFFECTIVE OCTOBER 9, 2022**

I, Charles R. Gibbs, hereby declare that the following statements are true and correct to the best of my knowledge after due inquiry as described herein:

1. I am an attorney at law admitted to practice before the Supreme Court of Texas, the United States District Courts for the Northern, Southern, Eastern and Western Districts of Texas and the United States Courts of Appeals for the First, Third, Fourth, Fifth, Eighth and Eleventh Circuits. I am a partner of the law firm of McDermott Will & Emery LLP (“McDermott”), which maintains offices at, among other places, 2501 North Harwood Street, Suite 1900, Dallas, Texas 75201.

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.



2. I am familiar with the matters set forth herein and make this declaration in support of the *Application of the Official Committee of Unsecured Creditors for Entry of an Order Authorizing the Employment and Retention of McDermott Will & Emery LLP as Counsel Effective October 9, 2022* (the “Application”).<sup>2</sup>

3. On October 6, 2022, pursuant to section 1102 of title 11 of the United States Code (the “Bankruptcy Code”), the United States Trustee for the Southern District of Texas appointed the following entities as members of the Committee: (a) RK Mission Critical LLC; (b) Touzi Capital, LLC; (c) Sunbelt Solomon; (d) U.S. Data Mining Group, Inc. d/b/a US Bitcoin Corp; and (e) MP2 Energy LLC d/b/a Shell Energy Solutions [ECF No. 139].

4. On October 9, 2022, the Committee selected McDermott as its counsel.

5. McDermott began rendering services to the Committee immediately following its selection by the Committee.

#### **MCDERMOTT’S DISCLOSURE PROCEDURES**

6. To prepare this declaration, I, or someone under my supervision, reviewed the names set forth on a list of parties in interest identified by the Debtors. From this list, McDermott created a search list (the “Search List”) of relevant parties consistent with the U.S. Trustee’s requirements, a copy of which is attached hereto as Schedule 1. McDermott then compared the Search List with the information contained in the conflict check systems and indexes of adverse parties currently maintained by McDermott (the “Conflict System”).

7. The Conflict System is designed to include every matter on which the firm is now or has been engaged over the last approximately twenty (20) years, sorted by the entity which has engaged the firm and, in each instance, listing the identity of the clients, related parties and adverse

---

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.



parties, and the attorneys in the firm who are knowledgeable about each matter. It is McDermott's policy that a new matter may be opened within the firm only after completing and submitting, to those charged with maintaining the Conflict System, the information necessary to check each such matter for conflicts, including the identity of the prospective client and related adverse parties. McDermott maintains and systematically updates the Conflict System in the regular course of the firm's business, and it is the regular practice of the firm to make and maintain these records.

8. Further, an e-mail was sent to each attorney at McDermott to verify whether any such attorney (a) has a connection to (i) the Debtors, or (ii) current and former directors or officers of the Debtors; or (b) is a relative of (i) any of the Judges of the United States Bankruptcy Court for the Southern District of Texas, or (ii) any members of the Office of the United States Trustee for Region 7.

**MCDERMOTT'S CONNECTIONS WITH PARTIES IN  
INTEREST IN MATTERS UNRELATED TO THE CHAPTER 11 CASES**

9. I, or a person under my supervision, reviewed any client connections to the Chapter 11 Cases to determine whether McDermott has an adverse interest to the Debtors' estates. McDermott ran the names of all parties in interest on Schedule 1 hereto through its Conflict System, and McDermott does not represent, or have any other connection with, any of the parties in interest listed on Schedule 1, subject to the disclosures set forth on Schedule 2, which is incorporated herein by reference.

10. McDermott's conflict search resulted in the disclosures set forth on Schedule 2 to this declaration. The Committee is aware that McDermott has previously represented or currently represents certain creditors or parties in interest and/or their affiliates in matters unrelated to the Debtors and, unless noted otherwise, the Chapter 11 Cases.



11. In addition to the information disclosed on Schedule 2, McDermott hereby discloses that in May 2022, the Debtors contacted a McDermott partner regarding representation of the Debtors and NextEra Energy Resources, LLC, or an affiliate thereof, in a joint venture. The matter never proceeded. Out of an abundance of caution, however, McDermott has imposed an ethical wall such that McDermott professionals who were involved with the described potential engagement are unable to access documents or files relating to McDermott's representation of the Committee in the Chapter 11 Cases, and vice versa.

12. McDermott further discloses that an associate in McDermott's New York office is the niece of Kevin M. Epstein, the United States Trustee for Region 7 (Southern and Western Districts of Texas).

13. To the best of my knowledge and information, the annual fees for each of the last three years paid to McDermott by any party on Schedule 1 or its affiliates did not exceed 1% of McDermott's annual gross revenue. To the extent that issues arise that would cause the Committee to be adverse to any of McDermott's clients such that it would not be appropriate for McDermott to represent the Committee with respect to any such matters, the Committee will retain conflicts counsel to represent the Committee with respect to those matters.

14. I believe the connections disclosed on Schedule 2 and herein have not and will not affect McDermott's representation of the Committee in the Chapter 11 Cases. McDermott's representation of these parties does not comprise a material component of McDermott's practice, nor does McDermott currently represent such parties on any issue relating to the Debtors.

15. McDermott does not currently directly represent the Debtors or any of their affiliates, partners or subsidiaries in the Chapter 11 Cases, and McDermott will not undertake the representation of the Debtors or any related entities during this engagement.



16. Based upon the information available to me, McDermott is a “disinterested person” as that term is defined in Bankruptcy Code section 101(14), and neither represents nor holds an interest materially adverse to the interests of the Committee, the Debtors, or their estates with respect to the matters on which McDermott is to be employed. To the extent McDermott discovers any connection with any party or enters into any new relationship with any party that otherwise would have been required to be disclosed in this Application, McDermott will promptly supplement its disclosures to the Court.

17. McDermott will not, while employed by the Committee, represent any other entity having an adverse interest in connection with the Chapter 11 Cases.

18. Insofar as I have been able to ascertain, neither I, McDermott, nor any McDermott attorneys:

- (a) are creditors, equity security holders, or insiders of the Debtors;
- (b) are, or were within two years before the date of the filing of the petition, a director, officer, or employee of the Debtors; or
- (c) have an interest materially adverse to the interests of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with or interest in the Debtors or for any other reason.

19. Except as otherwise set forth herein, insofar as I have been able to ascertain, the partners, counsel, and associates of McDermott do not have any connection with the Debtors, the Debtors’ officers and directors, the Debtors’ creditors, the Debtors’ equity security holders, and other known parties in interest or their respective attorneys and accountants, or the members of the Committee. To the best of my knowledge, information and belief formed after reasonable inquiry, neither I, nor any partner, counsel, associate, paraprofessional, or staff member of McDermott, insofar as I have been able to ascertain, is related to the bankruptcy judge assigned to the Chapter 11 Cases.



**MCDERMOTT'S RATES AND BILLING PRACTICES**

20. No promises have been received by McDermott or any McDermott attorney as to payment or compensation in connection with the Chapter 11 Cases other than in accordance with the provisions set forth herein. McDermott has no agreement with any other entity to share with such entity any compensation received by McDermott or by such entity.

21. McDermott intends to apply to this Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the U.S. Trustee Guidelines (as defined below), and any further orders of this Court for all services performed and expenses incurred since October 9, 2022. McDermott expressly reserves the right to seek compensation for services and reimbursement of expenses incurred by defending challenge(s) to this Application and/or any fee applications filed by McDermott in the Chapter 11 Cases.

22. McDermott's standard hourly rates for work of this nature for attorneys that may work on this matter, subject to adjustment annually in January to reflect economic and other conditions, are as set forth below:

| <b>Title</b>                | <b>2022 Rates</b> |
|-----------------------------|-------------------|
| Partners and Senior Counsel | \$1,125 - \$1,510 |
| Employee Counsel            | \$1,020 - \$1,285 |
| Associates                  | \$615 - \$940     |
| Paraprofessionals           | \$385 - \$575     |

23. McDermott has advised the Committee that the hourly rates set forth above are subject to annual increases in the normal course of McDermott's business. In the event of any such increase, McDermott will provide the U.S. Trustee and the Committee with written notice of any such increase and file a supplemental affidavit (a "Supplemental Affidavit") with the Court. Any Supplemental Affidavit will explain the basis for the requested rate increase in accordance



with Bankruptcy Code section 330(a)(3)(F). Pursuant to section B(2)(d) of the U.S. Trustee Guidelines, McDermott will provide justification of the reasonableness of any rate increase.

24. The Application requests, pursuant to Bankruptcy Code section 328(a), approval of the Committee's retention of McDermott as its counsel. The hourly rates set forth above and in the Application are the firm's standard hourly rates for work of this nature. The firm's standard rates are set at a level designed to compensate the firm fairly for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses.

25. McDermott will charge for expenses in a manner and at rates consistent with charges made generally to its other clients in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the U.S. Trustee Guidelines and any other applicable orders of this Court. Such expenses include, among other things, mail and express mail charges, special or hand delivery charges, travel expenses, expenses for computerized research, and transcription costs.

26. The foregoing constitutes the verified statement of the person to be employed, required under Bankruptcy Rule 2014.

#### **STATEMENT REGARDING U.S. TRUSTEE GUIDELINES**

27. In 2013, the Executive Office for the United States Trustee ("EOUST") adopted the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases* (the "Appendix B Guidelines"). By their terms, the Appendix B Guidelines "apply to the [U.S. Trustee's] review of applications for compensation filed by attorneys in larger chapter 11 cases," and are intended as an update to the original *Guidelines for Reviewing Applications for Compensation filed under 11 U.S.C. § 330* (the "Appendix A Guidelines" and, together with the Appendix B Guidelines, the "U.S. Trustee Guidelines") adopted by the EOUST in 1996. McDermott will make a reasonable effort to comply



with the U.S. Trustee's requests for information and additional disclosures as set forth in the U.S. Trustee's Guidelines, both in connection with the Application and the interim and final fee applications to be filed by McDermott in the Chapter 11 Cases.

**ATTORNEY STATEMENT PURSUANT TO APPENDIX B GUIDELINES**

28. The following is provided in response to the request for additional information set forth in ¶ D.1 of the Appendix B Guidelines.

**Question:** Did you agree to any variations from, or alternatives to, your standard or customary billing arrangements for this engagement?

**Answer:** No.

**Question:** Do any of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case?

**Answer:** No.

**Question:** If you represented the client in the 12 months prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments for the 12 months prepetition. If your billing rates and material financial terms have changed post-petition, explain the difference and the reasons for the difference.

**Answer:** McDermott did not represent the Committee in the 12 months prepetition. McDermott has represented official committees of unsecured creditors in other bankruptcy cases during the 12 months preceding the Petition Date.

**Question:** Has your client approved your prospective budget and staffing plan and, if so, for what budget period?

**Answer:** The Committee and McDermott expect to develop a prospective budget and staffing plan, recognizing that in the course of large chapter 11 cases, unforeseeable fees and expenses may arise that will need to be addressed by the Committee and McDermott.



Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the forgoing is true and correct to the best of my knowledge and belief.

Executed on November 7, 2022

/s/ Charles R. Gibbs

Charles R. Gibbs



**SCHEDULE 1**

**LIST OF INTERESTED PARTIES**

**Debtors**

CN Atoka LLC  
CN Big Spring LLC  
CN Colorado Bend LLC  
CN Corpus Christi LLC  
CN Developments LLC  
CN Equipment LLC  
CN King Mountain LLC  
CN Minden LLC  
CN Mining LLC  
CN Pledgor LLC  
Compute North Holdings, Inc.  
Compute North Member LLC  
Compute North NC08 LLC  
Compute North NY09 LLC  
Compute North SD LLC  
Compute North Texas LLC  
Compute North TX06 LLC  
Compute North TX10 LLC  
Compute North, LLC

**Banks**

BMO Harris Bank, N.A.  
Fidelity Bank Plc.

**Current and Former Directors & Officers**

Harold Coulby  
Brian Falik  
Drake Harvey  
Bobby Kandaswamy  
PJ Lee  
Jose Lima  
Dave Movius  
Dave Perrill  
Eli Scher  
Shounok Sinha  
Stephen Stenbeck  
Carl Stjernfeldt  
Jason Stokes  
Kyle Wenzel

**Customers**

[Redacted]

**Debt Service**

Generate Capital, PBC  
Post Road Administration

**Electricity Provider**

Constellation  
Exelon Generation  
Midamerican Energy Company  
MP2 Energy Texas LLC  
Nebraska Public Power District

**Employees and Contractors**

Sean Aschoff  
Mark Beckendorf  
Robert Bisanz  
Matthew Boisjolie  
Matthias Bolda  
John Bouchard  
Nathan Buckley  
Arthur Calloway  
Christopher Chew  
Joey Colyer  
Brendon Coughtry  
Nick Crain  
Gregory S. Cribb  
Einar A. Cristiani  
Jack D'Angelo  
Tim Dahl  
Eyal Dayan  
Mark Decker  
Carlos Domenech  
Deana Dorosheko  
Cindy Doyle  
Brad Ellis  
Jean Esquier  
Giovanni Esteves  
Mohammed Fadlallah  
Thomas Ferry  
Ken Flory  
David Galeano  
Israel Garcia  
Patrick Geisler



Igor Gonta  
Patrick Govier  
Danny Grace  
Michael Grace  
James Griffith  
Chris Grumet  
Alexander Guddat  
Richard Hagen  
Jonathan Hakim  
Brian Hakk  
Irving Hansen  
Richard Harvey  
Brian Haw  
James Haynes  
Jeff Hene  
Jesse Hensley  
Jiri Holba  
Andrei Isari  
Guy C. Jackson  
Barry Jeffries  
Marshall Johnson  
Alexandre Julio  
Jordan Kanfer  
Khashayar Kashani  
Sandeep Katoch  
Thomas Kieffer  
Michael Kindel  
Joseph C. Kiser  
Benjamin Kolpa  
Ron Konezny  
Robert L. Kramer  
Darius Kuzmicz  
Liz Labelle  
Thomas P. LaBelle  
Toby LaBelle  
Ronda Laplaca  
Bradley Lew  
Phillip Li  
David Lockard  
Nelu Mihai  
Benjamin Morgan  
David Robert Morgan  
Thomas Moser  
Roman Nabatov  
Max Niederluecke  
Rooney Nimmo

Jack Perrill  
John Perrill  
Richard Pieters  
Kayla Piper  
Nicola Piper  
Brian Pryor  
Johnathon Ritucci  
Tad Piper TTEE for the Tad W. Piper  
Revocable Trust  
Torben Rytte  
Anthony Scaparra  
Taylor Shakespeare  
Nathan Sprague  
Ben Stoos  
Philip Tooke  
Armen Tovmasyan  
Eric Tracy  
Amar Tsolmon  
Jean Marcel Viljoen  
Jan Vyhlička  
Ralph Weber  
John Winslow  
Brent Wong  
Satyen Yadav  
Perrill

**Insurance**

AFCO  
AON Risk Services  
Arrowhead General Insurance Agency, Inc.  
CNA Insurance  
Hylant

**IT**

Flexential Corp.  
Sage Intacct  
Workiva Inc.

**Lenders**

Generate Lending, LLC  
Marathon Digital Holdings, Inc.  
Mercuria Energy America, LLC  
NextEra Energy Resources, LLC  
TZ Capital Holdings, LLC



**Lessor**

7575 Management LLC

**Non-Debtor Affiliates**

CN Borrower LLC

CN Wolf Hollow LLC

Compute North NE05 LLC

Marathon Compute North 1 LLC

Marathon Compute North 2 LLC

TZRC Horse Hollow LLC

TZRC King Mountain LLC

TZRC LLC

TZRC Mining LLC

**Ordinary Course Professionals**

Ernst & Young LLP

Finn Dixon

Growth Operators Advisory Services LLC

Hello Temp Inc.

Jackson Lewis P.C.

Jackson Walker LLP

Kutak Rock LLP

McDonald Hopkins

Meridian Compensation Partners LLC

Nordmark Energy Consulting, LLC

Norton Rose Fulbright US LLP

RSM US LLP

SALO, LLC

Sira Corbetta Lopez de Letona

Smith Anderson Blount Dorsett Mitchell &

Jernigan LLP

Mahesh Tripunitara

Westwood Professional Services

**Other**

Authentic Brand LLC

Bootstrap Energy LLC

Bradley Arant Boult Cummings LLP

Corporate Performance Strategies Inc.

DNV Energy USA Inc.

Dennis Fehr

Gartner Inc.

James B. Rogers, as trustee of the Max G.

Aronson Trust U/A DTD 11/01/2006

James B. Rogers, as trustee of the Robert I.

Aronson Trust U/A DTD 07/29/2003

James B. Rogers, as trustee of the Samuel L.

Aronson Trust U/A DTD 12/08/2000

Jefferies LLC

MVP Logistics LLC

NBTC

Nebraska Public Safety Task Force

Northern Tool & Equipment

Nowlit Solutions Corp.

OverWatch Enterprises LLC

PandaDoc, Inc.

Pansing Hogan Ernst & Bachman

Paul Hastings

Portage Point Partners LLC

ProLift Rigging Company LLC

Quartz Energy Partners

Ramp Credit Card

SGS North America Inc.

StarTex Software LLC

Stephen Aronson Rev Living Trust U/A/D

07/15/2015

Texas Blockchain Council

The Gene Allen Trust

United Management - Rent Payment

Uptick Tech

URS Compliance

WW Grainger Inc.

**Payroll & Benefits**

Inspirity

**Professionals**

Ballard Spahr LLP

CT Corporation System

Foley & Lardner LLP

Fredrikson & Byron, PA

Kirkland & Ellis LLP

Koho Consulting

Milbank

**Shareholders**

Addison L Piper TTEE for the Addison L

Piper Revocable Trust

ADK Holdings LLC

Callanish Capital Partners LP

Coeranbrooke LLC

Creekside Investments 1 LLC



Daniel R Aronson & Martha G Aronson  
 TRUSTEES for the Daniel R. Aronson  
 Revocable Trust  
 Digital Currency Group Inc.  
 Elliot B Evers TTEE for the Elliot Evers  
 2010 Revocable Trust  
 Endurance Search Partners LLC  
 Fredric Goldberg Rev Trust U/A/D  
 05/15/2019  
 H2 Renewables LLC  
 Katherine E. Bispala TTEE for the  
 Katherine E. Bispala Spousal Limited  
 Access TR u/a/d  
 Millennium Trust Co LLC Custodian  
 FBO Michael Thomas Zenk IRA  
 XXXX65634  
 Muinzer Ventures LLC  
 Perrill Technology LLC  
 REIC Gamma (AM/DB) Holdings LLC  
 Reviva Inc.  
 SM & MS Partners  
 The Goldman Sachs Trust Company of  
 Delaware, as Trustee of the DP GST Exempt  
 Family Trust U/A/D 8/1/  
 Vedado Capital LLC  
 Vitali Compute LLC

### **Large Trade Creditors**

7575 Management LLC  
 Bitmain  
 Bootstrap Energy LLC  
 CH Robinson Company Inc.  
 Circuit Breaker Guys, LLC  
 City of Big Spring, TX  
 Commonwealth Electric Company of the  
 Midwest  
 CorTalent  
 Echo Search Group  
 Egauge Systems LLC  
 Ernst & Young LLP  
 Flexential Corp.  
 Foundry Digital LLC  
 Freudenberg Filtration Technologies  
 Gartner Inc.  
 Growth Operators Advisory Services LLC  
 HubSpot

Koch Filter Corporation  
 Koho Consulting  
 M A Mortenson Co.  
 Madel PA  
 Marathon Digital Holdings, Inc.  
 Maxim Crane Works  
 Meritus Recruiting Group LLC  
 Midamerican Energy Company  
 MP2 Energy Texas LLC  
 MVP Logistics LLC  
 NBTC  
 Norton Rose Fulbright US LLP  
 Opkalla Inc.  
 OverWatch Enterprises LLC  
 Overwatch Surveillance LLC  
 Rand Worldwide Subsidiary Inc.  
 Recruiters of Minnesota  
 RK Mission Critical  
 Russell A. Farrow US Inc.  
 Spectrum Search Partners  
 Starostka Group Unlimited  
 Sunbelt Solomon Services, LLC  
 Transfluid Services - Stark  
 Uline  
 Urban Solution Group  
 US Bitcoin Corp.  
 Westwood Professional Services

### **U.S. Trustee Personnel, Judges, and Court Contacts**

Albert Alonzo  
 Alicia Barcomb, Trial Attorney  
 Jacqueline Boykin, Legal Data Technician  
 Alethea Caluza, Paralegal Specialist  
 Ana Castro  
 Jeannie Chavez  
 Tracey Conrad  
 LinhThu Do  
 Hector Duran, Trial Attorney  
 Kevin M. Epstein, US Trustee  
 Ivette Gerhard, Secretary  
 Brian Henault, Bankruptcy Analyst  
 Judge Marvin Isgur  
 Luci Johnson-Davis, Paralegal Specialist  
 Chief Judge David R. Jones  
 Omar E. Jones, Auditor



Tyler Laws

Judge Christopher Lopez

Zilde Martinez, Courtroom Deputy

Linda Motton, Paralegal Specialist

Ha Nguyen, Trial Attorney

Judge Jeffrey P. Norman

Nathan Ochsner (Clerk of the Court)

Glenn Otto, Bankruptcy Analyst

John Patouhas

Kimberly Picota

Vriana Portillo

Mario Rios

Yasmine Rivera, Auditor

Judge Eduardo V. Rodriguez

Jayson B. Ruff, Trial Attorney

Rosario Saldana, Case Manager

Millie Aponte Sall, Assistant U.S. Trustee

Patricia Schmidt, Legal Assistant

Christy Simmons, Bankruptcy Analyst

Gwen Smith, Legal Assistant

Stephen Statham, Trial Attorney

Christopher R. Travis, Trial Attorney

Clarissa Waxton, Bankruptcy Analyst

Jana Whitworth, Trial Attorney

### **Utilities**

AT&T Mobility

Bosselman

Circuit Breaker Guys, LLC

City of Big Spring

City of Big Spring Water Dept.

City of Big Spring, TX

Constellation New Energy

Edison Energy LLC

Fibercomm

Gexa Energy

King Mountain Upton Wind, LLC

Mercuria Energy America, LLC

Nebraska Link Holdings

Oncor Electric Delivery Company

Republic Services

Shell Energy

Solid Waste Agency Landfill

Texas-New Mexico Power Company

United Cooperative Services

Waste Management of Carol Stream, IL

### **Vendors / Service Providers**

308 Construction LLC

AlphaGraphics Bloomington

Alternative Business Furniture

American Tower

Anthony Ostlund Louwagie Dressen &

Boylan P.A

A-Team Heating and Cooling

Authority Electric & A/C

Aviat US Inc.

Aviation Charter Inc.

Baldwin Design Consultants, PA

Basin 2 Way

Basin Abstract & Title

berganKDV

BG Ventures

BHI Holdings LLC

Big Bend Telecom

Bill.com

Bitmain

BMO

Bosselman Energy

C&S Crane and Rigging LLC

Cage Engineering Inc.

CH Robinson Company Inc.

Citizen Partners

City of Greenville, North Carolina

City of Kearney, Nebraska

Classic Industrial Services Inc.

CliftonLarsonAllen

Coffman Engineers Inc.

Comfy Bowl, Inc.

Commonwealth Electric Company of the

Midwest

Complete Underground, LLC

Corpus Christi Rimz

CorTalent

CRG Corporation

CSC

Culligan of Kearney

Deluxe

DHL Express USA Inc.

Double Radius Inc.

Douglas Electrical Services LLC

Dunn Engineering, LLC



Dwight Lane Investments  
 Eakes Office Solutions  
 Ebay  
 Echo Search Group  
 Economic Development Council of Buffalo  
 County  
 ECS Southeast LLP  
 Egauge Systems LLC  
 Electric Power Engineers, LLC  
 Energage LLC  
 EnginSoft USA  
 Equipment Management Services LLC  
 Everington Consulting, Inc.  
 Fastenal  
 FedEx  
 Ferguson Electric Construction  
 FiberComm, LLC  
 Fidelity Bank  
 Finley Investigations & Security Inc.  
 Fireblocks Inc.  
 Freudenberg Filtration Technologies  
 G & G Golden Inc.  
 Granbury Chamber  
 GrassRoots  
 GreenFox Marketing Solutions  
 Greenville Utilities  
 Ground Penetrating Radar Systems  
 Hays Companies, Inc.  
 HDR Engineering, Inc.  
 Heartland Pneumatic  
 Hire Right  
 HM TECH LLC  
 HubSpot  
 Infrastructure Masons  
 Integrated Security Solutions, LLC  
 Steven Jackman  
 Jobplex  
 JSW Services  
 Kaige Kubota LLC  
 Kearney Power Sports  
 KGI Wireless Inc.  
 Kuncan Electronics Co Ltd.  
 Land Management Group  
 LexisNexis Risk Solutions FL Inc.  
 Long Lines Broadband  
 M A Mortenson Co.

Mackinnon Bruce International  
 Maddox Industrial Transformer  
 Madel PA  
 Marlatt Machine & Welding LLC  
 Maxim Crane Works  
 McCamey County Hospital District  
 Meritus Recruiting Group LLC  
 Metro Alarm & Lock  
 Midas Green Technologies  
 Midland Lock and Safe  
 Mid-State Engineering & Testing, Inc.  
 Midway Chrysler Jeep Inc.  
 Milco Environmental Services  
 Miller & Associates Consulting Engineers,  
 P.C.  
 MiningDisrupt  
 Mowrey, Ryan  
 NAI United Management, LLC  
 Nebraska Crane  
 Nebraska Department of Revenue  
 Nebraska Link Holdings, LLC dba OPTK  
 Networks  
 Nebraska Title Company  
 NextLink Internet  
 Office Furniture Liquidations  
 Ogletree Deakins Nash Smoak & Stewart  
 Overhead Door Company of Permian Basin  
 PA Department of State  
 Pegasus Energy LLC  
 Pennzoil-Quaker State Company  
 Phillips Fabrication, Inc.  
 Power Asset Recovery Corporation  
 Power Search and Consulting LLC  
 Print Crypto Inc.  
 Prosek LLC  
 PW Rentals, LLC/Roland Whitney  
 R. O. Youker, Inc.  
 Rand Worldwide Subsidiary Inc.  
 Recruiters of Minnesota  
 Redman's Shoes  
 Republic Services  
 Ricoh USA Inc.  
 RK Mission Critical  
 Roebuck Staffing Company LLC  
 Roth Staffing Companies LP  
 Russell A Farrow US Inc.



Satellite Shelters Inc.  
Sayler Screenprinting  
Shenzhen 10Gtek International Co Ltd.  
Shenzhen Aimeijin Electronics Co, Ltd.  
Shenzhen Guangyu Technology Co.  
SHI International Corp.  
Shoppas Material Handling, Ltd.  
SignPro  
Sirius Computer Solutions Inc.  
Solid Waste Agency Landfill  
Source Incorporated of Missouri  
Spark Public Relations  
Spectrum Search Partners  
Spyglass Home Inspections  
Starostka Group Unlimited  
State of Connecticut  
State of Delaware  
Sunbelt Rentals  
Sunbelt Solomon Services, LLC  
Superior Cranes, Inc.  
Tech Strategy Leaders LLC  
TerraSano Services LLC  
Texan Restrooms LLC  
TForce Worldwide Inc.  
The Lockmobile LLC  
The Wells Partnership Company  
Thompson Electric Company  
Thomson Reuters - West  
TNT Crane & Rigging  
Transfluid Services - Stark  
Trond  
True North Data Solutions Inc.  
Uline  
Ulteig Engineer's Inc.  
United Cooperative Services  
UPS Supply Chain Solutions, Inc.  
Upton County  
Urban Solution Group  
US Compliance  
USA Communications  
Valdes Engineering Company  
Valley Forklift  
Verizon  
Versatile Industries V  
VTH Advisors, LLC  
WAND Corporation

Waste Management  
West Texas Commercial Cleaning, LLC  
Wharton County Permit & Inspection Dept.  
Williams Scotsman Inc.  
World Wide Technology LLC  
Zhejiang Quinntek Co Ltd.



**SCHEDULE 2****CONNECTIONS TO POTENTIAL PARTIES IN INTEREST**

| <b>Matched Entity</b>               | <b>Relationship to Debtors</b> | <b>Relationship to McDermott<sup>1</sup></b> |
|-------------------------------------|--------------------------------|--|
| Aon Risk Services                   | Insurer                        | Current Client                               |
| BMO                                 | Vendor                         | Current Client                               |
| BMO Harris Bank, N.A.               | Bank                           | Current Client                               |
| Bradley Arant Boult<br>Cummings LLP | Professional                   | Current Client                               |
| CH Robinson Company, Inc.           | Large Trade Creditor           | Current Client                               |
| CliftonLarsonAllen                  | Vendor                         | Current Client                               |
| CNA Insurance                       | Insurer                        | Current Client                               |
| Constellation                       | Electricity Provider           | Current Client                               |
| CT Corporation System               | Professional                   | Affiliate of Current Client                  |
| [Redacted]                          | Customers                      | Affiliate of Former Client                   |
| Douglas Electrical Services<br>LLC  | Vendor/Service Provider        | Affiliate of Current Client                  |
| Ebay                                | Vendor/Service Provider        | Current Client                               |

---

<sup>1</sup> A “current client” is an entity for which there are, as of the date hereof, active matters on which McDermott is engaged; a “former client” is an entity for which there are no active matters as of the date hereof, but there may in the future be active matters. Please note that the identification of a party in interest herein is not an admission of a conflict, disabling or otherwise



|                                      |                              |                             |
|--------------------------------------|------------------------------|-----------------------------|
| Edison Energy LLC                    | Utility                      | Current Client              |
| Ernst & Young LLP                    | Large Trade Creditor         | Affiliate of Current Client |
| Exelon Generation                    | Electricity Provider         | Affiliate of Current Client |
| FedEx                                | Vendor/Service Provider      | Affiliate of Current Client |
| Fidelity Bank Plc.                   | Bank                         | Affiliate of Current Client |
| Insperty                             | Payroll & Benefits           | Current Client              |
| Jefferies LLC                        | Other                        | Current Client              |
| Koch Filter Corporation              | Large Trade Creditor         | Affiliate of Current Client |
| LexisNexis Risk Solutions<br>FL Inc. | Vendor/Service Provider      | Affiliate of Current Client |
| [Redacted]                           | Customer                     | Current Client              |
| Mercuria Energy America,<br>LLC      | Lender                       | Affiliate of Former Client  |
| Midamerican Energy<br>Company        | Large Trader Creditor        | Current Client              |
| [Redacted]                           | Customer                     | Affiliate of Current Client |
| NextEra Energy Resources,<br>LLC     | Lender                       | Current Client              |
| Norton Rose Fulbright US<br>LLP      | Ordinary Course Professional | Current Client              |
| Paul Hastings LLP                    | Other                        | Affiliate of Former Client  |
| Ricoh USA Inc.                       | Vendor/ Service Provider     | Current Client              |



|                            |                          |                |
|----------------------------|--------------------------|----------------|
| Valdes Engineering Company | Vendors/Service Provider | Current Client |
| Verizon                    | Vendors/Service Provider | Current Client |
| Waste Management           | Vendor/Service Provider  | Current Client |



**EXHIBIT C**

**Declaration of Asher Genoot**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

|   |   |                        |
|---|---|------------------------|
| In re:  | § |                        |
|   | § | Chapter 11             |
|   | § |                        |
| COMPUTE NORTH HOLDINGS,<br>INC., <i>et al.</i> , <sup>1</sup> | § | Case No. 22-90273 (MI) |
|   | § |                        |
| Debtors.  | § | (Jointly Administered) |
|   | § |                        |
|   | § |                        |

**DECLARATION OF ASHER GENOOT IN SUPPORT OF THE  
APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS FOR ENTRY OF AN ORDER AUTHORIZING THE  
EMPLOYMENT AND RETENTION OF MCDERMOTT WILL & EMERY LLP  
AS COUNSEL EFFECTIVE OCTOBER 9, 2022**

I, Asher Genoot, hereby declare that the following statements are true and correct to the best of my knowledge after due inquiry as described herein:

1. I am over the age of 21 and I am President at U.S. Data Mining Group, Inc. d/b/a US Bitcoin Corp. ("US Bitcoin"). US Bitcoin is the Chair of the Committee. I am, in all respects, competent to make this declaration in support of the *Application of the Official Committee of Unsecured Creditors for Entry of an Order Authorizing the Employment and Retention of McDermott Will & Emery LLP as Counsel Effective October 9, 2022* (the "Application") filed contemporaneously herewith.<sup>2</sup>

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors' service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.



2. This declaration is provided pursuant to ¶ D.2 of the Appendix B Guidelines. I am informed by Committee counsel that the Appendix B Guidelines request that any application for employment of an attorney under Bankruptcy Code sections 327, 328, 330, and 1103(a) be accompanied by a verified statement from the client that addresses the following:

- (a) The identity and position of the person making the verification.
- (b) The steps taken by the client to ensure that the applicant's billing rates and material terms for the engagement are comparable to the applicant's billing rates and terms for other non-bankruptcy engagements and to the billing rates and terms of other comparably skilled professionals.
- (c) The number of firms the client interviewed.
- (d) If the billing rates are not comparable to the applicant's billing rates for other non-bankruptcy engagements and to the billing rates of other comparably skilled professionals, then the circumstances warranting the retention of that firm.
- (e) The procedures the client has established to supervise the applicant's fees and expenses and to manage costs. If the procedures for the budgeting, review and approval of fees and expenses differ from those the client regularly employs in non-bankruptcy cases to supervise outside general counsel, explain how and why. In addition, describe any efforts to negotiate rates, including rates for routine matters, or in the alternative to delegate such matters to less expensive counsel.

**A. Identity of the Declarant**

3. On October 6, 2022, US Bitcoin was appointed to the Committee. US Bitcoin was subsequently elected Chair of the Committee. Under the bylaws of the Official Committee of Unsecured Creditors of Compute North Holdings, Inc., et al., (the "Bylaws") the Chair of the Committee, by and through its representative, is authorized to implement decisions of the Committee in accordance with the Bylaws.



4. US Bitcoin was directly involved in the Committee's decision to retain McDermott as the Committee's counsel in the Chapter 11 Cases and participated in negotiating the terms of McDermott's employment together with the other members of the Committee.

**B. Steps Taken to Ensure Comparability of Engagement Terms**

5. I have confirmed with McDermott that, while McDermott's billing rates vary from attorney to attorney based on such facts as the attorney's seniority and position with the firm (*e.g.*, partner, counsel, or associate), years of experience, and the demand for services in the attorney's particular area of expertise, their billing rates do not vary as a function of whether the services performed relate to a bankruptcy engagement or a non-bankruptcy engagement.

6. The Committee has been informed that McDermott endeavors to set the hourly rates for its attorneys and paraprofessionals at levels competitive to those charged by firms with which it competes.

**C. Number of Firms Interviewed**

7. On October 9, 2022, the Committee interviewed four law firms, including McDermott. In connection with the interviews, the Committee evaluated the breadth of the firms' experience and particular areas of expertise, the firms' prior history of representing committees in chapter 11 cases, and the anticipated attorneys' fees to be billed in connection with the Chapter 11 Cases.

**D. Other Circumstances Warranting Retention of McDermott**

8. The Committee has determined that McDermott's attorneys' billing rates are set each year to ensure that their rates are in line with or lower than the billing rates of other comparably skilled professionals at law firms in McDermott's peer group. This, coupled with McDermott's previous experience as committee counsel in numerous chapter 11 cases, makes McDermott the appropriate choice for Committee counsel in the Chapter 11 Cases.



**E. Procedures Established to Supervise Fees and Expenses and Manage Costs**

9. I understand that McDermott's fees and expenses (a) will be subject to review, comment and objection (if warranted), and Court approval pursuant to any further orders of this Court; and (b) will be subject to the periodic review on an interim and final basis during the course of the Chapter 11 Cases by the U.S. Trustee, the Debtors, and the Committee.

10. During the Chapter 11 Cases, I and/or the other members of the Committee, will monitor McDermott's interim fee applications to ensure that the fees and expenses requested therein are reasonable in nature and correspond to necessary or beneficial services rendered on behalf of the Committee. The Committee and McDermott expect to develop a prospective budget and staffing plan, recognizing that in the course of large chapter 11 cases, unforeseeable fees and expenses may arise that will need to be addressed by the Committee and McDermott. McDermott has informed me that it may amend and supplement its budget and staffing plan as the Chapter 11 Cases develop to reflect changed circumstances or unanticipated developments and will alert the Committee to those changed circumstances and unanticipated developments in a timely fashion. To the extent the Committee has an objection to the fees and expenses requested by McDermott in any interim fee statement that cannot be resolved to the Committee's satisfaction informally, McDermott has informed me that it will file a notice of objection on the Committee's behalf pursuant to any further orders of the Court. In so doing, I understand that McDermott reserves all rights to contest any such objection raised to the allowance or payment of its requested fees and expenses, and the Committee reserves the right to retain conflicts counsel to prosecute any such objection to the extent it cannot be resolved informally by the parties.

11. Nothing contained in the foregoing is intended to limit McDermott's ability to request allowance and payment of fees and expenses pursuant to Bankruptcy Code sections 330 and 331, nor to restrict McDermott's right to defend against any objection with respect to the



allowance or payment of such fees, nor to restrict the Committee's right to retain conflicts counsel to prosecute any such fee objection to the extent it is not resolved informally by the parties or raised by another party in interest, such as the U.S. Trustee.

**F. Other Matters**

12. McDermott's hourly rates are subject to annual adjustments in January of each year to reflect economic and other conditions. I have been advised by Committee counsel that, pursuant to ABA Formal Ethics Opinion 11-458, "[p]eriodic, incremental increases in a lawyer's regular hourly billing rates are generally permissible if such practice is communicated clearly to and accepted by the client at the commencement of the client-lawyer relationship and any periodic increases are reasonable under the circumstances." I have also been specifically advised by Committee counsel that, pursuant to ABA Formal Ethics Opinion 11-458, "the client need not agree to pay the modified fee to have the lawyer continue the representation." McDermott disclosed to the Committee its rates in effect as of January 1, 2022. To the extent McDermott seeks to make any adjustments to its rate structure, the Committee expressly reserves the right to reject any such modification to the extent the Committee deems it reasonable.


*[Remainder of Page Intentionally Left Blank]*



Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on November 7, 2022

By:

  
\_\_\_\_\_  
Asher Gendoot  
President, U.S. Data Mining Group, Inc.  
d/b/a/ US Bitcoin Corp.

Chair of the Official Committee of Unsecured Creditors  
of Compute North Holdings, Inc., *et al.*



**CERTIFICATE OF SERVICE**

I certify that on November 7, 2022, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Charles R. Gibbs

Charles R. Gibbs